APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/502,825	02/11/2000	Kiyoshi Miyazaki	1095.1120/JDH	5726

21171 7590 02/17/2004	EXAMINER
STAAS & HALSEY LLP	DASS, HARISH T

SUITE 700	ART UNIT	PAPER NUMBER
1201 NEW YORK AVENUE, N.W.	3628	

WASHINGTON, DC 20005

DATE MAILED: 02/17/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>24 November 2003</u>.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-20* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

13)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

    a) ☐ The translation of the foreign language provisional application has been received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .

4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: .

DETAILED ACTION

Response to Arguments

Applicant's request for reconsideration of the finality of the rejection of the last Office

action is persuasive and, therefore, the finality of that action is withdrawn.

Claim Rejections - 35 USC § 103

1.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in

section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are

such that the subject matter as a whole would have been obvious at the time the invention was made to a

person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived

by the manner in which the invention was made.

Claims **1-3, 5, 7-10, 11-12, 14 and 16-20** are rejected under 35 U.S.C. 103(a) as being

unpatentable over **Himmelstein (PGPUB US 2002/0032643)** in view of Fraser et al

(hereinafter Fraser; US 5,905,974).

Re. Claims 1, 9-10, & 18-20, Himmelstein discloses chain order (exchanging securities

with special conditions or contingent orders) input means permitting input of orders to

sell or purchase a first type of fungible goods in the electronic market, and permitting

the input of a chain order, the chain order being an order requesting, on condition of

execution of an order for sale or purchase of the first type of fungible goods, purchase

or sale of a second type of fungible goods, the second type of fungible goods being

different from and not fungible with respect to the first type of fungible goods [see entire document particularly, Abs; Fig. 3, 5A-7E; page 1 paragraph 0001 to page 2 para. 0011; page 5 para 0047], and order detecting (find) means for automatically detecting execution of an order for purchase or sale of the first type of fungible goods with respect to which the chain order has been placed [page 3 para 0027-0032; page 13 para 0148], and chain order processing means for, responsive to the detection (finds) of execution of a buy or sell order for the first type of fungible goods by said order detecting means, automatically executing the chain order for the first type of fungible goods [page 3 para. 0038 to page 4. para. 0039; page 5 para 0052 to page 6 para. 0053; para. 0101], and conditioning execution of the second open order by interactively (negotiate) establishing a relation in the electronic market between the first open order and the second open order, by disallowing execution of the second open order until after execution of the first order [page 1 para 0003-0004]. Himmelstein, explicitly, does not disclose "contingent orders" (Chain order). However, Fraser discloses this type of orders. "It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Himmelstein and add contingent orders (chain orders), as taught by Fraser, to provide a data processing system (computer systems) to implement a trading system (*match*ing buy and sell orders) capable of high volume trading activity with minimal errors and costs, and further, provide customize trading tool to trade contingent orders, etc.

Re. Claims 2, & 11 Himmelstein discloses chain order storing means for storing the

chain order input from said chain order input means [Fig. 8; page 4 para. 0041; page 14

para. 0157], and deleting means for deleting, from said chain order storing means, the

chain order with respect to which the automatic execution has been completed by said

chain order processing means [Fig. 8; page 4 para. 039-0041; page 14 para. 0157-

0159].

Re. Claims 3, & 12 Himmelstein discloses further comprising display means for

selectively displaying those of the chain orders which include a sell or buy order for the

second type of fungible goods and which satisfy a condition for sale or purchase of the

second type of fungible goods [Fig. 2, 5A, 6; Abs; page 4 para. 0039; page 7 para.

0070].

Re. Claims 5, & 14 Himmelstein discloses further comprising price changing means for,

responsive to a change in price of the first type of goods, automatically changing a price

of the corresponding second type of goods of the chain order in an interlocked (linked)

manner [Abs; page 5 para. 0047].

Re. Claims 7-8, & 16-17 Himmelstein discloses tax deferred exchange and calculating

fee [page 3 para. 0033-0034; page 7 para 0070; page 11 para. 0119-0127].

Himmelstein, explicitly, does not disclose further comprising tax amount calculating

means for calculating an amount of tax to be paid as-a result of the execution of the

chain order; and notifying means for notifying parties concerned in the execution of the

chain order of the amount of tax calculated by said tax amount calculating means and

further comprising transfer means for automatically transferring a price and a tax

payable as a result of the execution from one to another of accounts of parties

concerned in the execution. However, it is well known to one skill in the art that taxes

are calculated on taxable items (sale and trades) per IRS rules or local sale tax rules

and paid regularly by consumers, therefore Himmelstein system for tax is optional which

means if a customer (trader) wants to pay the tax, the system can calculate tax.

**Claims 4, 6 & 13, 15 are rejected under 35 U.S.C. 103(a) as being unpatentable
over Himmelstein as applied to claims 1 & 10 above, in view of Nymeyer (US
3,581,072).**

Re. Claims 4 & 13 Neither Himmelstein or Fraser, explicitly, teaches wherein said

display means inhibits display of information about a buy or sell order for the second

type of fungible goods (goods) included in the chain order when the chain order is

placed, and displays the information after the chain order is executed. However,

Nymeyer discloses this step [see entire document particularly, Abs; C1 L1 to C2 L38;

C11 L50 to C12 L46; C30 L19-L55]. It would have been obvious to one of ordinary skill

in the art at the time the Applicant's invention was made to modify the teaching of

Himmelstein & Fraser and include inhibiting displaying of information, as taught by

Nymeyer, to control transfer of orders whenever there are no specific price order.

Further the computer spread sheets are well known to one skill in the art where a user

can selectively inhibits and/or protect any item (cell, row, column) from change or to

hide the data from unauthorized user.

Re. Claims 6 & 15 Neither Himmelstein or Fraser, explicitly, teaches wherein said chain

order processing means performs chain order processing in series if an order placed

with respect to the second type of fungible goods to be transacted is a chain order.

However, Nymeyer discloses this step [Abs; C1 L1 to C2 L38; C19 L58 to C20 L23]. It

would have been obvious to one of ordinary skill in the art at the time the Applicant's

invention was made to modify the teaching of Himmelstein & Fraser and include

explicitly chain order (swap) orders in series, as taught by Nymeyer, to proceed serially

through entire list of orders starting from # 1.

Response to Arguments

4.   Applicant's arguments with respect to claims filed on 11/24/2003 have been

considered but are moot in view of the new ground(s) of rejection. Regarding remark for

claim 4, see fig. 1, the sequencers (items 27 & 29) are connected to output (item 11), for

few orders matched the sequencers inhibit the output (display).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's

disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references

fully when responding to this action.

(previously presented) US Pat 6,421,653 to May, Jul. 16, 2002 "Systems, methods and computer program products for electronic trading of financial instruments", this invention discloses a brokerage systems and methods, and more particularly, to the electronic trading of financial instruments such as derivative and interactive trading functionally.

US Pat 5,924,082 to Silverman et al, Jul. 13, 1999 "Negotiated matching system", this invention discloses a negotiated matching system that identifies potential counterparties to a transaction using criteria input by each user of the system and then enables communication between the counterparties so that the parties may negotiate the final terms and/or details of the transaction.

(previously presented) US 5,970,479 to Shepherd, Oct, 19, 1999 "Methods and apparatus relating to the formulation and trading of risk management contracts", this invention discloses a methods and apparatus which deal with the management of risk relating to specified, yet unknown, future events, an offered contract is priced by calculating counter-party premiums from the registered data, and a match attempted by a comparison of the offered premium with the calculated premiums, and a matched contracts can be further traded until maturity, and at-maturity processing handles the exchange of entitlement as between the matched parties to the contract.

US 6,112,189 to Rickard, August 20, 2000 "Method and apparatus for automating negotiations between parties", this invention discloses a system calculates the mutual satisfaction between negotiating parties and maximizes their mutual satisfaction over a range of decision variables and does so without requiring the parties to identify themselves and their positions to each other. For automatically negotiating agreements between multiple parties, a computer accepts a satisfaction function from an

offering party who defines his degree of satisfaction to agree to a range of terms upon

which the party is desirous of negotiating as a function of the relevant decision variables.

The computer then accepts input from all other parties regarding their degree of

satisfaction to agree to each of the terms as a function of a particular relevant decision

variable. The computer then calculates a satisfaction function for each of these terms

based on all of the individual inputs, and in the event of multiple optima along the

segment .PSI., generally accepted notions of fair trading practice would give price

improvement to the contra-side participants (since the linked trade represents a

contingent order and thus has lower priority or standing with respect to non-contingent

orders) and thus we would select the optimum price corresponding to the maximum

value of c. However, this rule can be modified to suit individual market conventions.

US 5297031 to Gutterman, March 22, 1994 "Method and apparatus for order

management by market brokers" this present invention relates to computer-based

techniques for managing orders placed in a physical market for trading instruments such

as stocks, bonds, stock options, futures options and futures contracts on commodities

including agricultural products, financial instruments, Contingent orders (are filled by the

broker after the price of another contract or even another commodity reaches a specified

level, where Contingency orders are those that impose certain limitations beyond the

quantity and delivery month, such as limits in price or time, or both. A "price limit order"

contains a price limitation that is specified by the customer; it can be executed only at

the price specified or at a better price level. A "fill or kill" order contains a specified price

at which the order must be executed or it is to be immediately cancelled), stock market

indices and the like.

5.   THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time

policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Harish T Dass whose telephone number is 703-305-

4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number

for the organization where this application or proceeding is assigned is 703-872-9306.

Any inquiry of a general nature or relating to the status of this application or

proceeding should be directed to the receptionist whose telephone number is 703-308-

1113.

Harish T Dass   H T D
Examiner
Art Unit 3628
12/31/03

HYUNG SOUGH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600